

**COMMONWEALTH OF VIRGINIA  
HOME TENANT BASED RENTAL ASSISTANCE  
PILOT PROGRAM**

**2005  
PROGRAM DESIGN**



**Department of Housing and  
Community Development**

**The Jackson Center  
501 N. 2<sup>nd</sup> Street  
Richmond, VA 23219**

**VIRGINIA HOME TENANT BASED RENTAL ASSISTANCE PILOT PROGRAM  
2005 Program Design (Amended 2004 Program Design)**

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# Virginia HOME Tenant Based Rental Assistance Program

## INTRODUCTION

The Commonwealth of Virginia initiated a program to provide housing assistance to its chronically homeless<sup>1</sup> population. In its Consolidated Plan 2003-2007, Virginia identified the chronically homeless as a population in urgent need of additional housing resources. Though a relatively small percentage of the homeless population can be deemed “chronically homeless,” this population consumes a significant amount of the state’s resources dedicated to alleviating homelessness. Providing adequate housing for members of this specific population will increase homeless persons’ chances of attaining self-sufficiency and decrease the population’s strain on the state’s already limited resources.

To expand housing resources for the chronically homeless, Virginia instituted the HOME Tenant Based Rental Assistance Program (TBRA). The TBRA program is a component of the federal Home Investment Partnership (HOME) program, which provides subsidies to help recipients afford housing costs. In addition to receiving housing cost assistance, participants were to be linked with already established support services within the community and be encouraged to work toward self-sufficiency. However, the original program design did not serve its intended purposes for a variety of reasons. Therefore working with partner agencies, DHCD revised the program design.

*The changes are as follows:*

- *Targeted population: Persons who are mentally ill and homeless and meeting the definition of persons eligible for services through the Projects for Assistance in Transition from Homelessness program (PATH)*
- *Tenant contribution is set at \$50*

*This pilot is being developed through the discretion provided in HOME regulations for local preferences for special needs groups. As a PJ, this preference “for a specific category of individuals with disabilities, for example with chronic mental illness,” is being established because many transitional housing facilities have difficulty housing the mentally ill homeless, as do emergency shelters, because of their disabling condition. There is often a need for medications which cannot be immediately met by the facility. Couple with this is the significant number of ex-offenders who meet this definition and may be denied shelter in many emergency and transitional programs and traditional Housing Choice vouchers through the local housing authority.*

The Virginia Department of Housing and Community Development (DHCD) is undertaking this effort as a twenty-four (24) month pilot project. The program will be administered in two pilot localities. DHCD contact information is as follows:

Virginia Department of Housing and Community Development  
The Jackson Center  
501 North 2<sup>nd</sup> Street  
Richmond, Virginia 23219  
(804) 371-7100; (804) 371-7084 TDD  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

## **Virginia HOME Tenant Based Rental Assistance Program**

DHCD reserves the right to amend any portion of the 2005 TBRA Program Design that is impacted by any Federal regulations that become effective subsequent to its publication.

### **Amendments to 2004 Program Design which served as basis for 2005 HOME TBRA Program**

- **Change in targeted population**
- **Establish minimum rent contribution of \$50**
- **Limit pilot to 2 jurisdictions**
- **Change 2005 Action Plan to allocate \$250,000 to serve a minimum of 25 persons**

## Virginia HOME Tenant Based Rental Assistance Program

### • NATIONAL HOME TBRA PROGRAM OVERVIEW

TBRA was first authorized under section 212 of the Cranston-Gonzalez National Affordable Housing Act (NAHA). The Department of Housing and Urban Development (HUD) implemented the basic requirements for using HOME funds for TBRA through publication of interim regulations at 24 CFR Part 92 on December 16, 1991. TBRA programs directly assist individual low-income households by making up the difference between actual housing costs and what a household can afford to pay.

In October 1992, the initial TBRA provisions were amended by section 220 of the Housing and Community Development Act (HCDA) of 1992. HCDA made two significant amendments:

1. Participating Jurisdictions (PJs) are now permitted to select tenants in accordance with written tenant selection policies and criteria that provide housing to low and very low-income households as long as such policies and criterion are reasonably related to federal preferences
2. PJs are permitted to administer programs providing only security deposit assistance, rather than requiring security deposits only be provided in connection with an ongoing rental assistance program. These statutory revisions were incorporated by interim rules published in the Federal Register on December 22, 1992 and June 23, 1993.

In addition, HUD implemented regulatory changes to provide greater flexibility to PJs administering TBRA programs. For example:

- A change on April 19, 1994, made it possible for a PJ to establish its own payment standard based on local market conditions and a determination of rent reasonableness.
- HUD provided insight into the clause “*reasonably related to federal preferences*” which basically means that the PJ may set preferences to address special needs populations as long as there is no effect of discrimination based on race, color, religion, sex, national origin, handicap, or familial status.
- A PJ’s non-federal contributions to a TBRA program which is NOT HOME-funded are eligible to count as a match for the HOME Program, except that administrative costs cannot be counted as match for the HOME Program.

HOME TBRA can be used to undertake any one or a combination of the following activities:

- **Freestanding rental assistance.** These programs are similar to Housing Choice Voucher (Section 8) certificate and voucher programs in that tenants choose their housing within guidelines established by the PJ.
- **Anti-displacement assistance.**
- **Security and utility deposit assistance.** PJs may provide security deposit assistance to tenants regardless of whether the PJ is providing ongoing tenant-based rental assistance. However, utility deposit assistance may be provided only in conjunction with a TBRA program, including a security deposit program under HOME TBRA.
- **Special purpose programs.** PJs can use money to support a variety of local goals including: self-sufficiency, homeownership, and assistance to targeted populations.
  - **Self-sufficiency program:** HOME TBRA participants may be required to participate in self-sufficiency programs as a condition of assistance.

## Virginia HOME Tenant Based Rental Assistance Program

- **Targeted Populations.** PJs may establish local preferences for special needs groups in a broad, community-wide TBRA program, or the PJ may design a program that exclusively serves one or more special needs group.

The HOME TBRA program can be administered through a PJ or the administrative functions may be contracted out to another entity, such as a local public housing agency (PHA), another public or private agency, or a nonprofit organization.

Additional information about the HOME program and specifically HOME TBRA can be found by visiting the HOME program home web page at [www.hud.gov](http://www.hud.gov). HOME is administered by The Office of Affordable Housing Programs, Office of Community Planning and Development, located at 451 7th Street, SW, Washington, DC 20410, (202) 708-2470. Hearing impaired users may call the Federal Information Relay Service at 1-800-877-8339.

# Virginia HOME Tenant Based Rental Assistance Program

## VIRGINIA HOME TBRA GOALS AND OBJECTIVES

Virginia has adopted the following principles in accordance with HUD guidelines to direct its investment of HOME TBRA funds and in support of its plan to end chronic homelessness as an integral part of the national agenda.

**VISION:** An integrated, community-based system of individualized opportunities, services, and housing has ended homelessness in Virginia.

**GOAL:** A model program that allows homeless individuals with mental illness to transition to stable appropriate housing and to access supportive services.

**PRIORITY #1:** Participants receive adequate, stable housing for up to two years while transitioning to mainstream housing options.

**Objective A:** At least 10 homeless individuals with mental illness are identified, referred, and selected to participate in the HOME TBRA program.

- **Strategy:** The PATH worker assigned to the project provides outreach and education regarding the HOME TBRA program to workers within the Continuum of Care (CoC), mental health system, and other referral sources, collectively referenced as sources.  
**Expected Result:** *Referral sources throughout the community are aware of the HOME TBRA program and its guidelines.*
- **Strategy:** Sources identify potential participants who can be defined as homeless using the PATH definition and whose income is at or below 60% Area Median Family Income (AMFI) and refer them to the local administrator.  
**Expected Result:** *The local administrator receives referrals (potential applicants) from the sources for the HOME TBRA Program.*
- **Strategy:** Applicants are selected to participate in the program based on the program guidelines in accordance with Virginia Pilot HOME TBRA selection criteria.  
**Expected Results:** *Virginia's HOME TBRA program realizes participation (potentially as many as 15 participants receiving up to two years assistance or any satisfactory combination of participants and duration of assistance).*

**Objective B:** At least 15 units of housing meeting Housing Choice Voucher (Section 8) Housing Quality Standards (HQS) are available or can be made available.

- **Strategy:** The local PATH worker identifies available units within their jurisdiction and makes them available to HOME TBRA participants.  
**Expected Result:** *Sufficient rental inventory to support maximum program participation is achieved.*
- **Strategy:** In the event that the number of units meeting HQSs is not adequate to meet HOME TBRA participation, program "Match" funds from Virginia's "Commonwealth Priority Housing Fund" are available to cover the cost of basic renovations. Such renovation funds shall be limited to \$1,500.00 per unit.

## Virginia HOME Tenant Based Rental Assistance Program

**Expected Result:** *Increased supply of rental inventory to support maximum program participation.*

**Objective C:** Funds are available to participants to help pay for security deposits, utility deposits, rent, and utility costs.

- **Strategy:** The local administrator determines a payment standard based on documented fair market rents or another method approved by DHCD. This standard is intended to represent area rent and utility costs of moderately priced units that meet the HQSs.  
**Expected Result:** *Standardized market rental costs.*
- **Strategy:** The minimum rental contribution for participants will be \$50.  
**Expected Result:** *Uniform determination of each participant's contribution toward housing costs.*
- **Strategy:** The HOME TBRA payment is made directly from the local administrator to the landlord. However, this direct disbursement may be altered under certain special situations at the discretion of the local administrator and landlord which would permit the tenant to receive the TBRA funds and pay the landlord directly.  
**Expected Result:** *Landlords participating in the program receive complete rental payments on time, and this provides an opportunity to allow the tenant to have responsibility for and realize further independence and self-sufficiency.*
- **Strategy:** The recommended lease term is six (6) to twenty-four (24) months with an option for early termination in any event. Upon the early termination, expiration of the lease term or annually, whichever period is shorter, a designee of the local administrator must: (1) review participant's income, (2) review or conduct a current needs assessment, (3) inspect unit for compliance with housing quality standards, and (4) review compliance with their self-sufficiency plan.  
**Expected Result:** *Participants receive adequate housing and mental health and or social services. The option to terminate the lease encourages the adoption of an individual self-sufficiency plan, and ultimate independent living. The tenant's participation or commitment to a plan serves as a basis for renewal or non-renewal for the HOME TBRA program.*
- **Strategy:** During this HOME TBRA pilot project, the financial limit per program participant is for twenty-four months of rental assistance. Local administrators and partner agencies will work together to plan for transition upon completion of the program, including the placement of the program participant on the Housing Choice Voucher (Section 8) waiting list, as appropriate.  
**Expected Result:** *Participants receive adequate housing for up to twenty-four months through the HOME TBRA Program. Participants who require continued assistance after completing the program can be referred to other housing assistance services, including the waiting list for the Housing Choice Voucher (Section 8). IMPORTANT NOTE: Participants on the Section 8 waiting prior to entry into the program do not lose their status on the Section 8 waiting list.*



## Virginia HOME Tenant Based Rental Assistance Program

**PRIORITY #2: Participation in a self-sufficiency program to develop skills that enable participants to maintain stable housing in the future.**

**Objective A:** Participants must be linked to supportive services that are already established within the community to receive benefits.

- **Strategy:** Because all participants will be referred through the local CoC, the referring/partner agency will be responsible for assuring support services are available to program participants. Examples of such partnering agencies or programs that could provide the abovementioned initial services include the Projects for Assistance in Transition from Homelessness program (PATH), Program of Assertive Community Treatment (PACT), or any other similar agency or program sharing the same goals.

**Expected Result:** *Participants receive appropriate referrals for self-sufficiency support services.*

- **Strategy:** All program participants receive self-sufficiency support services deemed necessary by an appropriate referral. Case management services will be provided by the PATH worker in collaboration, as appropriate, with the local Center for Independent Living (CIL), the area Department of Rehabilitative Services branch (DRS), the local Community Services Board (CSB), the area Housing Opportunities for Persons With AIDS program (HOPWA), or any other agency or program that can provide appropriate case management services.

**Expected Results:** *Participants receive critical support in developing self-sufficiency.*

- **Strategy:** With the assistance of the community case manager, the participant structures an individual plan for self-sufficiency and complies with it.

**Expected result:** *Participant is accountable for their individual progress in the direction of self-sufficiency.*

# Virginia HOME Tenant Based Rental Assistance Program

## FUNDING AND DISTRIBUTION METHODOLOGY

### ANTICIPATED USE OF FUNDING IN FEDERAL FISCAL YEAR 2005

In federal fiscal year 2005, Virginia's HOME TBRA funds will be allocated into two principal categories of usage for Administration and Assistance as follows:

#### **Administration**

Up to 10% of the Virginia HOME TBRA allocation will be used for program administration purposes. Program administration will be shared with local administrators based on 10% of their total award for assistance.

#### **Assistance**

Up to 90% of the Virginia HOME TBRA allocation will be used for direct rental assistance to program participants.

The Commonwealth of Virginia's allocation of HOME TBRA funds in federal fiscal year 2005 will be distributed as follows:

Local Administrator Administration	\$ 25,000
Assistance	\$250,000
<b>TOTAL HOME FUNDS</b>	<b>\$275,000</b>

In addition to HOME TBRA funds, \$10,000.00 of funds from Virginia's Commonwealth Fund are available to provide up to \$1,500.00 of renovation allowance per project and complete the HOME TBRA mandated 25% state fund match.

### DISTRIBUTION METHODOLOGY

To continue to use two of the 3 localities previously chosen as administrators of the 2004 Virginia HOME TBRA program.

Funds not used during the grant year will be carried over into the next year's funding or reallocated to other DHCD programs.

## **Virginia HOME Tenant Based Rental Assistance Program**

### **MATCH REQUIREMENTS**

Virginia will satisfy the requirement to match HOME funds with non-federal funds at a 25% level in the following manner:

- A portion of the match is available through the Commonwealth Priority Housing Fund (up to 25% or \$10,000 in FY 2005) for the renovation of rental units to meet HQSs in an amount of up to \$1,500.00 per unit.
- The balance of the annual match liability is derived from state general revenue funds that are contributed to housing projects assisted with HOME funds and those that meet the HOME affordability requirements or through the state's annual match liability that can be derived from the face value of State mortgage revenue bond loans, both multi-family and single family loans.

### **PROGRAM INCOME**

The HOME TBRA program is not expected to generate any program income. (Program income is gross income directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period.)

# **Virginia HOME Tenant Based Rental Assistance Program**

## **GENERAL POLICIES**

### **PROGRAM TARGETING**

The Virginia HOME TBRA Program targets the homeless as defined by the PATH guidelines. All program participants must meet the following criteria

- Unaccompanied homeless individual
- Diagnosable mental illness
- Have income at or below 60% of the area median income.

### **ELIGIBLE PROPERTY TYPES**

HOME TBRA rental units may be any rental units determined by the local administrator to meet HQS and suitable for an individual participant.

### **DHCD TECHNICAL ASSISTANCE**

DHCD provides technical assistance through telephone consultations with local administrators, monitoring, site visits, e-mail messages, and information posted on the agency's website.

### **STATE RESPONSIBILITIES FOR CITIZEN PARTICIPATION**

The HOME TBRA Program is part of DHCD's Consolidated Plan and Annual Action Plan process. The citizen participation requirements are stated in the DHCD Citizen Participation Plan, which can be found in its 2003 Consolidated Plan covering July 1, 2003 through June 30, 2007. The allocation for FY2004 was amended in September 2005; and subject of a public hearing on September 23, 2005, as was the 2005 reallocation of funds. A revised program design was submitted to HUD on December 6, 2005.

### **ACTION PLAN**

An Annual Action Plan is prepared for each year covered under the Consolidated Plan. The Action Plan for the federal fiscal year 2004 was submitted to the U.S. Department of Housing and Urban Development (HUD) on May 15, 2005. A revision to allocation was sent November 1, 2005.

The 2004 Virginia HOME TBRA program design was revised to be the basis of the 2005 Virginia TBRA program with an allocation of \$250,000. Program guidelines for the revised pilot program are the result of the first year's activities (2004-05).

### **Program Administrators**

The selected administrators for the amended 2004 TBRA Pilot Program are Waynesboro Redevelopment and Housing Authority and Piedmont Community Services Board, who met the following criteria:

1. Serve in a non-entitlement area;
2. Participate in their local Continuum of Care;
3. Serve in a jurisdiction that has a Community Services Board and/or a Local Housing Authority; and
4. Were successful applicants in the 2004 TBRA Pilot Program application process.

## **Virginia HOME Tenant Based Rental Assistance Program**

### **Technical Assistance**

Felicia Thomas  
Division of Housing  
Virginia Department of Housing and Community Development  
501 North 2<sup>nd</sup> Street  
Richmond, Virginia 23219  
Telephone: (804) 371-7119; Facsimile: (804) 371-7091  
E-mail address: Felicia.Thomas@dhcd.virginia.gov